

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 56th LEGISLATURE - REGULAR SESSION

JOINT APPROPRIATIONS SUBCOMMITTEE ON NATURAL RESOURCES AND COMMERCE

Call to Order: By **CHAIRMAN JOHN WITT**, on February 4, 1999 at
8:04 A.M., in Room 201 Capitol.

ROLL CALL

Members Present:

Rep. John Witt, Chairman (R)
Sen. Tom Keating, Vice Chairman (R)
Sen. William Crismore (R)
Rep. Dick Haines (R)
Sen. Linda Nelson (D)
Rep. Joe Tropila (D)

Members Excused: None.

Members Absent: None.

Staff Present: Summer Alger, Committee Secretary
Greg DeWitt, Legislative Branch
Shirley Moore, OBPP

Please Note: These are summary minutes. Testimony and
discussion are paraphrased and condensed.

Committee Business Summary:

Hearing: HB 2 - Dept. of Commerce Budget
Executive Action: HB 2 - Dept. of Commerce Budget

HEARING ON HB 2 - DEPT. OF COMMERCE BUDGET - POL DIVISION

Steve Meloy, POL Division, gave a brief division overview
presentation. **Chairman Witt** asked if some of the growth they are
experiencing has to do with NAFTA.

February 4, 1999

PAGE 2 of 9

Greg DeWitt discussed Oracle conversion, which is also in HB 252, so the committee may be directed not to take any action on it, though, may want to reduce the base by however much needed for Oracle.

Rep. Tropila asked about state special and balances, and **Mr. DeWitt** responded while referring to Table 1 on page **C-204** of the Legislative Budget Analysis 2001 Biennium: Agency Budgets, Vol. 1, January 1999, LFD.

**The Legislative Budget Analysis (LBA 2001) budget book will not be referred to as an exhibit, however, budget information from other sources will be noted as exhibits.*

Chairman Witt inquired if realtors and appraisers are grouped together, and **Sen. Keating** asked about the boards, which are government entities and autonomous.

Sen. Keating commented on CI-75 and the Supreme Court interpretation, and **Mr. Meloy** replied in agreement **Sen. Keating** asked about a referendum to the people for them to clarify CI-75, and **Rep. Tropila** commented on vote tabulators.

Rep. Haines commented and questioned Table 1 and the LFD Issue on page **C-204** of the LBA 2001 budget book. **Mr. DeWitt** commented that it is not an accurate table right now, it is more of an informational table to show that there is a problem (gives examples).

Sen. Keating asked **Mr. Meloy** if there are any accounts with rather large balances. **Mr. DeWitt** proposed that they identify a fee, the revenue it would generate, and then vote on it. **Sen. Keating** asked **Mr. DeWitt** if there are any issues here that are not contingent in CI-75 or any other bill. **Mr. DeWitt** replied that page **C-208** of the LBA 2001 budget book deals with the legal contingency fund. Discussion ensued on a global motion.

Mr. DeWitt reiterated that the base on Oracle does need to be decreased, additionally.

Present Law Adjustments:

DP 3903

Sen. Keating inquired if the boards involved have agreed to this, and if these boards will be on the list for a fee increase. He then asked **Mr. Meloy** if the boards can accept free will offerings in an attempt to get around CI-75, and **Mr. DeWitt** replied yes, but would not recommend it, and they cannot spend it without

February 4, 1999

PAGE 3 of 9

authority and revenue. **Chairman Witt** inquired if the State covers the boards for liability, and **Sen. Nelson** questioned **Mr. Meloy** on a bill for contingency that went down.

Rep. Haines asked to know where the division would be at with FTE's if this request passed: if the people are gone when the money is gone, and if the State has a bumping process like the Feds.

**EXECUTIVE ACTION ON HB 2 - DEPT. OF COMMERCE BUDGET - POL
DIVISION**

{Tape : 1; Side : B; Approx. Time Counter : 24}

Motion/Vote: **SEN. KEATING** moved that **DP 3903 BE ADOPTED**.
SECONDED by **REP. HAINES**. Motion carried unanimously.

DP 3905

Sen. Keating inquired if a fee increase is needed for the Boards of Nursing Home Administrators, Dentists, Pharmacists, and Real Estate Appraisers. He then recommended that the committee hold off on the Boards of Nursing Home Administrators, Clinical Lab Science Practitioners, Psychologists, Private Security Patrol Officers & Investigators, and Real Estate Appraisers, and make them part of the global motion.

**EXECUTIVE ACTION ON HB 2 - DEPT. OF COMMERCE BUDGET - POL
DIVISION**

{Tape : 1; Side : B; Approx. Time Counter : 29.4}

Motion/Vote: **SEN. KEATING** moved that **DP 3905 BE ADOPTED FOR THE
BOARDS OF DENTISTRY AND PHARMACY**. **SECONDED** by **REP. TORPILA**.
Motion carried unanimously.

Mr. DeWitt addressed the LFD Comments on the Board of Outfitters.

{Tape : 2; Side : A; Approx. Time Counter : 0}

Motion/Vote: **SEN. CRISMORE** moved that **DP 3905 BE ADOPTED FOR THE
BOARD OF OUTFITTERS**. **SECONDED** by **SEN. KEATING**. Motion carried
unanimously.

DP 3906

February 4, 1999

PAGE 4 of 9

Mr. DeWitt commented that this decision package is the one in the other bill, so would like a reduction of the base by \$200,000 and ignore the rest of the package. **Bill Hoffman** concurred, and **Sen.**

Keating inquired as why it is in the Jobs & Income bill (HB 252). He also asked how they got a loan from Science & Technology.

Sen. Keating suggested not acting on it at this point, and a discussion of contingency ensued.

DP 3909

Mr. DeWitt commented that \$25,000 was expended from the contingency appropriation in the base, and would recommend lowering the request by \$25,000 in each year and making the \$70,000 for the contingency a one-time-only and restricted appropriation.

**EXECUTIVE ACTION ON HB 2 - DEPT. OF COMMERCE BUDGET - POL
DIVISION**

{Tape : 2; Side : A; Approx. Time Counter : 11}

Motion/Vote: **SEN. KEATING** moved that the **REQUEST SHOULD BE LOWERED BY \$25,000 AND THE CONTINGENCY PART OF DP 3909 BE ADOPTED AS ONE-TIME-ONLY AND RESTRICTED. SECONDED** by **SEN. NELSON.** Motion carried unanimously.

{Tape : 2; Side : A; Approx. Time Counter : 12.1}

Motion/Vote: **SEN. KEATING** moved that the **BALANCE OF DP 3909 BE ADOPTED. SECONDED** by **SEN. NELSON.** Motion carried unanimously.

DP 3910

Sen. Keating inquired if some of the fee increases requested are included in this. No action was taken at this point ~ part of global motion.

DP 3911

Mr. DeWitt commented that this decision package should also be part of the global motion ~ no action was taken.

New Proposals:

DP 3902

February 4, 1999

PAGE 5 of 9

Sen. Keating inquired if this request is subject to fee increases, then asked how the FTE's are paid. Since the Boards of Medical Examiners and of Professional Engineers & Land Surveyors are included in the global motion, **Sen. Keating** only moved this decision package for the Board of Nursing.

**EXECUTIVE ACTION ON HB 2 - DEPT. OF COMMERCE BUDGET - POL
DIVISION**

{Tape : 2; Side : A; Approx. Time Counter : 18.4}

Motion/Vote: **SEN. KEATING** moved that **DP 3902 BE ADOPTED FOR THE BOARD OF NURSING. SECONDED** by **REP. HAINES**. Motion carried unanimously.

DP 3907

Sen. Nelson asked if the committee should hold off on this decision package since they held off on the others. **Sen. Keating** commented that the whole proprietary fund is subject to fee increases, but **Mr. DeWitt** replied that the committee could approve this decision package because it is a decrease.

**EXECUTIVE ACTION ON HB 2 - DEPT. OF COMMERCE BUDGET - POL
DIVISION**

{Tape : 2; Side : A; Approx. Time Counter : 22.7}

Motion/Vote: **SEN. KEATING** moved that **DP 3907 BE ADOPTED. SECONDED** by **SEN. NELSON**. Motion carried unanimously.

Proprietary Rates

Mr. DeWitt recommended to skip this next section. He also commented that this is a POL pool funded by recharges. **Sen. Keating** asked **Mr. Meloy** a series of questions beginning with how this impacts the overall cost of administration, and how much increase in overhead costs are expected in the next biennium. The Senator also asked what the division is paying for insurance, and if they have any exempt positions in their staff.

Mr. DeWitt commented on Table 2 on page **C-212** of the LBA 2001 budget book. He also addressed the Report on Internal Service & Enterprise Funds table on page **C-211**, commenting that may want to hold off on due to CI-75. **Sen. Keating** responded, stating that

February 4, 1999

PAGE 6 of 9

the committee can approve the rates, but CI-75 determines if they have any money.

**EXECUTIVE ACTION ON HB 2 - DEPT. OF COMMERCE BUDGET - POL
DIVISION**

{Tape : 2; Side : B; Approx. Time Counter : 5.7}

Motion/Vote: SEN. KEATING moved that REQUESTED RECHARGE RATES BE ADOPTED. SECONDED by SEN. NELSON. Motion carried unanimously.

Rep. Tropila questioned Mr. Hoffman on DP 3904 and DP 3908.

Break @ 9:41am *{Tape : 2; Side : B; Approx. Time Counter : 6.7}*

**HEARING ON HB 2 - DEPT. OF COMMERCE BUDGET - ECONOMIC DEVELOPMENT
DIVISION**

Andy Poole gave a brief division overview presentation, and gave the committee a bunch of handouts: list of division administrators; Economic Development overview packet; & Community Development Block Grant Program - Regional Development. EXHIBIT(jnh28a01), EXHIBIT(jnh28a02), & EXHIBIT(jnh28a03), respectively.

Sen. Keating questioned Mr. Poole on income taxes paid and property taxes paid. The Senator then asked Mr. Poole a series of questions about page 3 of the community block grant handout.

Rep. Haines inquired about block grant money, and Chairman Witt asked if it is capped. Sen. Nelson inquired as to the time span of loan payback.

Mr. Poole returned to the division overview packet, then proceeded to handout another packet on MicroBusiness. EXHIBIT(jnh28a04)

Rep. Tropila asked where the coal tax money goes, and after further committee deliberation, Mr. Poole continued the division discussion with the trade program.

Chairman Witt asked the division about Pasta Montana, then on the telecommunications package and Jobs & Income proposal.

The division handed out a Biennial Business Review for the MT

February 4, 1999

PAGE 7 of 9

Manufacturing Extension Center (MMEC) brochure.

EXHIBIT(jnh28a05)

Chairman Witt questioned trade hauling from/through Canada, and **Mark Bison, Trade Program**, responded, with some added comments from **Sen. Keating**.

Sen. Keating asked **Sen. Nelson** about the loan to Sorensen Pheasant Farm in Wolf Point, MT, to which she replied, it has been paid off. **Greg DeWitt** commented on this program, also.

Mr. Poole handed out a sheet of Jobs & Income Specific Goals by Strategy - Calendar Year.

EXHIBIT(jnh28a06)

DP 5101

Sen. Keating asked **Mr. Poole** if the \$25,000 of general fund is required for federal match. He then made a declaration with dissenting comments from **Mr. Poole**. **Rep. Haines** questioned **Sen. Keating** about his thoughts, and **Chairman Witt** followed up. **Rep. Tropila** then commented that he wished this program were around when he was starting.

EXECUTIVE ACTION ON HB 2 - DEPT. OF COMMERCE BUDGET - ECONOMIC
DEVELOPMENT DIVISION

{Tape : 3; Side : B; Approx. Time Counter : 27.1}

Motion/Vote: REP. TROPILA moved that THE FEDERAL PORTION (\$153,000 PER YEAR) OF DP 5101 BE ADOPTED. SECONDED by SEN. NELSON. Motion carried 5-1 with Keating voting no.

DP 5108

EXECUTIVE ACTION ON HB 2 - DEPT. OF COMMERCE BUDGET - ECONOMIC
DEVELOPMENT DIVISION

{Tape : 3; Side : B; Approx. Time Counter : 29.5}

Motion/Vote: SEN. KEATING moved that DP 5108 BE ADOPTED AS ONE-TIME-ONLY AND RESTRICTED. SECONDED by SEN. NELSON. Motion carried unanimously.

Sen. Keating inquired about two congressional seats, and **Vivian Manuel, Public Information Officer**, replied that Montana has gained population due to birth rate.

DP 5111

Sen. Keating asked if this is recharge, and **Mr. DeWitt** replied yes, though is not dependant on HB 252.

EXECUTIVE ACTION ON HB 2 - DEPT. OF COMMERCE BUDGET - ECONOMIC
DEVELOPMENT DIVISION

{Tape : 4; Side : A; Approx. Time Counter : 1.6}

Motion/Vote: SEN. KEATING moved that DP 5111 BE ADOPTED.
SECONDED by SEN. CRISMORE. Motion carried unanimously.

DP 5113

Sen. Keating asked how much is in the base, and why this decision package is not a new proposal. **Rep. Haines** questioned, as did **Chairman Witt**, who asked if world-wide ideas are also brought into this program.

EXECUTIVE ACTION ON HB 2 - DEPT. OF COMMERCE BUDGET - ECONOMIC
DEVELOPMENT DIVISION

{Tape : 4; Side : A; Approx. Time Counter : 7.2}

Motion/Vote: REP. TROPILA moved that DP 5113 BE ADOPTED AS A RESTRICTED APPROPRIATION. SECONDED by SEN. NELSON. Motion carried unanimously.

Mr. DeWitt commented that the rest of the decision packages in this division are included Jobs & Income legislation.

HEARING ON HB 2 - DEPT. OF COMMERCE BUDGET - MONTANA PROMOTION
DIVISION

Greg DeWitt gave an LFD overview of this division, while **Matthew Cohn, Administrator, Travel Montana**, and **Anna Marie Moe** gave the division overview presentation. The division handed out a packet on Travel Montana: FY99 Warm Season Consumer Advertising Report, and another labeled Nonresident Travel in Montana: Putting the Numbers into Context.

EXHIBIT(jnh28a07) & **EXHIBIT(jnh28a08)**, respectively.

DP 5203

EXECUTIVE ACTION ON HB 2 - DEPT. OF COMMERCE BUDGET - MONTANA
PROMOTION DIVISION

February 4, 1999
PAGE 9 of 9

{Tape : 4; Side : A; Approx. Time Counter : 8.8}

Motion/Vote: SEN. KEATING moved that DP 5203 BE ADOPTED.
SECONDED by SEN. NELSON. Motion carried unanimously.

ADJOURNMENT

Adjournment: 11:52 A.M.

REP. JOHN WITT, Chairman

SUMMER ALGER, Secretary

JW/SA

EXHIBIT (jnh28aad)